

Message

From: Smith, Claudia [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=D6E004792B5C4603873EA2715C07C97E-SMITH, CLAUDIA]
Sent: 5/22/2018 4:15:26 PM
To: North, Alexis [North.Alexis@epa.gov]
Subject: RE: Questions regarding Applicability of 0000a

Hopefully I wasn't just talking out of my you-know-what.

Claudia Young Smith
Environmental Scientist
Air Program
U.S. Environmental Protection Agency, Region 8
Tel: (303) 312-6520
Email: smith.claudia@epa.gov
Web: <http://www.epa.gov/caa-permitting/caa-permitting-epas-mountains-and-plains-region>
Mail: 1595 Wynkoop Street, Mail Code 8P-AR, Denver, Colorado 80202

-----Original Message-----

From: North, Alexis
Sent: Tuesday, May 22, 2018 8:57 AM
To: Smith, Claudia <Smith.Claudia@epa.gov>
Subject: RE: Questions regarding Applicability of 0000a

This is the best, most helpful email I've ever gotten. Bravo.

Alexis North, Environmental Scientist
Office of Enforcement, Compliance & Environmental Justice EPA Region 8
1595 Wynkoop Street (8ENF-AT)
Denver, CO 80202-1129
Phone: 303-312-7005
Email: north.alexis@epa.gov

-----Original Message-----

From: Smith, Claudia
Sent: Friday, May 18, 2018 10:27 AM
To: Schwartz, Colin <Schwartz.Colin@epa.gov>; Wortman, Eric <Wortman.Eric@epa.gov>; North, Alexis <North.Alexis@epa.gov>
Subject: RE: Questions regarding Applicability of 0000a

Hi, Colin,

Ex. 5 Deliberative Process (DP)

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Claudia Young Smith
Environmental Scientist
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Tel: (303) 312-6520
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-----Original Message-----

From: Schwartz, Colin
Sent: Friday, May 18, 2018 8:25 AM
To: Wortman, Eric <Wortman.Eric@epa.gov>; Smith, Claudia <Smith.Claudia@epa.gov>; North, Alexis <North.Alexis@epa.gov>
Subject: FW: Questions regarding Applicability of 0000a

Eric, Claudia, and Alex,

I've gathered all three of you experts to make sure that I am giving ADEQ the correct information about their question.

Ex. 5 Deliberative Process (DP)

Thanks,
Colin

-----Original Message-----

From: Naveen D. Savarirayan [mailto:Savarirayan.Naveen@azdeq.gov]
Sent: Thursday, May 17, 2018 3:23 PM
To: Schwartz, Colin <Schwartz.Colin@epa.gov>
Subject: Questions regarding Applicability of 0000a

Hi Colin,

My name is Naveen and I work with the Arizona Department of Environmental Quality. One of the consultants working on a compressor station expansion project has quoted you regarding an applicability determination of Subpart 0000a. The company is adding a new compressor station on existing pipelines which will be adjacent to their currently existing station. We are permitting the new compressor station as a new stationary source which includes the existing station. Our reading of the rule interprets the compressor station as both the new and existing compressors for applying §60.5365a(j). Please let me know if your interpretation is in-line with this. Please read below:

Please find attached the draft permit for the Willcox Compressor Station (Permit Number 61325) that provides EPNG's comment in redline. The comment provided mainly address clarifications to those permit conditions associated with the addition of a new compressor and ancillary equipment to be installed at the station with the exception of the applicability of 40 CFR 60, subpart 0000a (0000a). While Kinder Morgan agrees with ADEQ with the applicability of 0000a to those affected sources associated with the new equipment, Kinder Morgan is requesting that ADEQ reevaluate and reconsider the application of those

requirements of 0000a to the existing sources at the Willcox Compressor Station in light of the information included below and a recent EPA interpretation that is directly relevant.

Permit Condition IX requires fugitive GHG monitoring for the entire station. Although these two facilities (Willcox and Dragoon) will be located on the same land parcel, they have different purposes, and will operate independently of one another. The proposed Dragoon compressor station will be dedicated toward mainline compression on the existing transmission pipelines, whereas the existing Willcox Compressor Station will continue to provide compression on the lateral off the mainline servicing customers in Mexico.

As you know, under §60.5365a(j) the "collection of fugitive emission components at a compressor station, as defined in §60.5430a, is an affected facility. For purposes of 60.5397a, a "modification" to a compressor station occurs when:

- (1) An additional compressor is installed at a compressor station; or
- (2) One or more compressors at a compressor station is replaced by one or more compressors of greater total horsepower than the compressor(s) being replaced. When one or more compressors is replaced by one or more compressors of an equal or smaller total horsepower than the compressor(s) being replaced, installation of the replacement compressor(s) does not trigger a modification of the compressor station for purposes of §60.5397a."

Thus, in the case of the proposed Dragoon and existing Willcox compressor stations, while these compressor stations may be considered "one-source" for air permitting purposes, each of the compressor stations is potentially an individual affected source under §60.5365a(j) as the affected facility is at the compressor station level not the permitted source level.

The applicability of 0000a for an individual station is not triggered until construction, modification, or reconstruction occurs after September 18, 2015. After September 18, 2015 if an additional compressor(s) or upsized compressor(s) crosses that boundary, then 0000a applicability is triggered for that station. Because additional compression is not being installed at the Willcox Compressor Station, the collection of fugitive emission components under 0000a on which construction commenced after September 18, 2015, is only applicable to the proposed Dragoon Compressor Station.

In addition to the applicability analysis above, Kinder Morgan consulted with SWCA Environmental Consultants regarding this issue. SWCA provided Kinder Morgan with communications between SWCA and the U.S. EPA Region VIII staff in which the U.S. EPA agreed with SWCA's position that 0000a was only applicable to the new compressor station in an identical situation. For context, SWCA approached U.S. EPA for a determination with the applicability of 0000a for a project where the permitted major source consists of a single permit for multiple compressor stations. In this case, the permittee was seeking to add compression at one of the individual stations. The permittee proffered to U.S. EPA that although the permittee was adding compression at an individual station, that additional compression did not trigger 0000a for all of the individual stations. The U.S. EPA agreed with the permittee's position that only the station adding the new compression would be subject to those requirements of 0000a. Kinder Morgan is providing a brief email (highlighted below) from Colin Schwartz of U.S. EPA Region VIII to SWCA on April 2, 2018 in which U.S. EPA provides their concurrence.

From: Schwartz, Colin <Schwartz.Colin@epa.gov>
Sent: Monday, April 2, 2018 10:32 AM
To: Brad Sohm
Cc: Bill Jamieson
Subject: RE: Follow-up on Title V Application Update

Brad,

That looks accurate. Thanks for following up.

I also wanted to point out that I spoke with Alexis North and a couple others in permit staff and we decided that we can in fact have 0000a applicability for just one of your stations and tailor that in somehow for the Title V. If you have any further questions you can contact either myself or Alexis.

Regards,
Colin

Given EPA's determination that 0000a only applies to the individual compressor station that is constructed or modified and not all compressor stations under the same permit, EPNG requests that ADEQ reconsider its applicability determination for the Willcox Compressor Station. Kinder Morgan would welcome the opportunity to discuss this matter further with ADEQ. In addition, if you have any questions regarding the redlined draft permit, please feel free to reach out me, Bill or Brad at SWCA.

Thank you again for all of your efforts in drafting the permit and I look forward to working with you to complete the process.

Richard

